

## OPEN MEETING AGENDA ITEM



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Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Response of Arizona Public Service Company (APS or Company)  
Inquiry into Utility Preparedness During the COVID-19 Crisis  
Docket No. AU-00000A-20-0050

APS appreciates this opportunity to provide the Commission with information regarding the Company's actions to ensure that APS will be able to provide safe and reliable electric service to customers during the current global COVID-19 crisis. Electricity is an essential component of everyday life, and APS agrees with Commissioners that utilities must have in place a plan to address emergency situations, including health-related emergencies such as a pandemic.

Commissioner questions regarding APS's response to this pandemic fall into three broad categories: continuity of service, customer interaction and support, and employee health and safety. Each of these categories are addressed below. The Company's responses to Staff's questions follow.

**Continuity of Service.** APS and our employees understand that electricity is a critical need during a time of crisis. The provision of electric service is especially critical during a global pandemic, when an essential step to halting the spread of a pandemic agent is to limit social interaction and require personnel to work from home.

APS's core responsibility to its customers is to provide safe and reliable electric service. To this end, APS maintains an enterprise-wide Emergency Action Plan (EAP), as well as Emergency Event Management procedures, that are continually reviewed and updated to include industry best practices and lessons learned. Each individual business unit within the Company is also required to develop and maintain a unit-specific EAP. Each of these EAPs include a specific pandemic plan which outlines the steps the Company will take in the event of a widespread health crisis. These plans address operational needs, security and cybersecurity risks, leadership roles, industry and government guidance, risk assessments, decision-making frameworks, critical functions and employees, and other pandemic response strategies to ensure continuity of service to our customers. APS conducts an annual drill of its EAP to ensure all facets of the plan can be executed in an emergency.

APS has been operating under its enterprise-wide Pandemic Plan since early February 2020. The Company's Pandemic Plan is based upon the North American Electric Reliability Corporation (NERC) Electricity Sector Influenza Pandemic Planning, Preparation and Response Reference Guide.<sup>1</sup> Once the enterprise-wide plan is activated, each business unit executes its individual plan, identifying business-critical operations and backup personnel who can provide support if needed to maintain operations with a reduced workforce. These plans also identify lines of authority for organizational leadership in the event leaders become unavailable. In accordance with the plan, APS is conducting daily Incident Command meetings to discuss new developments and risks, identify any issues that have arisen and determine any necessary mitigation actions.

APS has also suspended non-critical planned outages at its generating plants and on its transmission and distribution systems. Work that is necessary to provide customers with safe and reliable service will continue to be performed.

At the Palo Verde Generating Station, employees are revising the outage scope for the upcoming Unit 2 routine refueling and maintenance outage. With this revision, only work that is absolutely required for refueling the unit to safely and reliably operate for the next 18 months will be conducted, which includes the summers of 2020 and 2021. Work requiring the employment of a significant number of temporary contractors has been removed from the outage scope, and deferring that work will not compromise reliability.

Importantly, APS does not anticipate any need to curtail electric service at this time. However, should curtailment become necessary, APS will implement its Commission-approved Service Schedule 5 – Guidelines for Electric Curtailment.<sup>2</sup> This schedule prioritizes continuity of electric service to those sites providing essential services such as hospitals, 911 centers, police and fire stations, sewage and domestic water facilities, and national defense installations, and outlines how the Company will implement the plan.

APS is confident that it is prepared to provide reliable service throughout this pandemic to support the needs of our customers.

**Customer Interaction and Support.** As discussed by APS President and Chief Operating Officer Daniel Froetscher at the Commission's March 16, 2020 Special Open Meeting, APS has quickly taken additional steps to protect our customers during this pandemic.

In addition to continuing to offer our customers support through the APS Customer Care Center and online at [aps.com](https://www.aps.com), APS has voluntarily suspended all disconnections for non-payment as of March 13, 2020. The Company will also waive all late fees that would otherwise be assessed during this time.

Mr. Froetscher announced the establishment of a shareholder-funded Customer Support Fund which became available to customers facing hardships on March 18, 2020. This funding is administered by the Company's Customer Care Center, and customers may

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<sup>1</sup>[https://www.nerc.com/comm/CIPC\\_Security\\_Guidelines\\_DL/NAERC200701.pdf#search=pandemic%20guidance](https://www.nerc.com/comm/CIPC_Security_Guidelines_DL/NAERC200701.pdf#search=pandemic%20guidance)

<sup>2</sup> <https://www.aps.com/en/Utility/Regulatory-and-Legal/Rates-Schedules-and-Adjustors>

call to access this support. Currently funded at \$1 million, customers may receive up to \$100 in credit to their bill. All limited-income customers on Rate Schedules E-3 and E-4 are immediately eligible for this credit upon request, while additional requests from customers with a delinquency of at least two months will receive priority.

To communicate these changes, a letter to APS customers from Mr. Froetscher has been posted to [aps.com](http://aps.com). In this letter, Mr. Froetscher assures customers that APS stands ready to assist those customers who may have difficulty paying their electric bill and outlines how customers can access resources. The letter also provides links to resources regarding the COVID-19 virus that may be of help to customers. A copy of this letter is attached.

The Company provides information in Spanish to those customers who have indicated a preference to receive APS communications in this language, and continues to maintain a Spanish-language website. APS also maintains an employee language bank that makes Customer Care Advisors and other employees available to assist customers in additional languages as necessary.

Through our agency partners, APS also continues to provide assistance to customers through the Company's Crisis Bill Assistance program. To help keep our customers safe and contain the spread of the virus, APS will temporarily relax application and enrollment procedures for utility assistance programs. Specifically, our partners who administer this assistance will accept applications by email or telephone.

APS has given thoughtful consideration to the suggestion that the Company temporarily suspend time-of-use (TOU) and demand charges for its customers on rate schedules that include those charges. Since APS already offers non-TOU and non-demand rate options for most customers, and customers may make unlimited rate changes, APS believes it is unnecessary to make additional changes. The mitigation procedures noted above – temporary suspension of disconnections and late fees, and additional support funding – will provide customers with protection against unforeseen circumstances during this time.

However, in recognition of the challenges and hardships our customers are experiencing from the pandemic, the Company will hold in abeyance for thirty (30) days the reset and increase of its Tax Expense Adjustor Mechanism (TEAM) and Environmental Infrastructure Surcharge (EIS) adjustors that were authorized in Decision Nos. 77139 and 76295, respectively. The adjustors will now reset beginning with the first billing cycles in May of 2020, rather than April. Any impacts from the delay will be reflected in the next adjustor reset or the rate case as appropriate.

**Employee Health and Safety.** APS is closely monitoring the COVID-19 outbreak and the Company's Health Services, Human Resources, and Corporate Safety departments are working with executives to provide employee guidelines and requirements to help keep our employees and our surrounding communities safe and healthy.

The Company has strengthened and expanded its employee guidelines to be consistent with advice from health experts to slow the pace of infections. Currently, APS employees who do not have a critical need to be at APS facilities (as identified in business unit EAPs) are required to work remotely. For those employees that need to work on site, strict guidelines have been implemented:

- Social distancing protocols must be followed. A mandatory six feet of space between employees is required.
- A maximum of two people at a time may ride in an elevator.
- Employees may not share equipment or desks. Individuals in essential operations such as control rooms and the distribution operations center are following business unit expanded protocols.
- All non-essential work-related travel plans have been cancelled, including travel between APS facilities, power plants, and service centers. Employees who must travel are expected to maintain the recommended six-foot distance.
- Food deliveries and shared food situations are not permitted until further notice.

APS is maintaining an internal COVID-19 awareness and resource webpage available to all employees which provides information and resources on the pandemic and includes prevention and hygiene tips to help employees stay healthy. Employees also receive a daily e-mail communication that provides the most current updates on the virus itself, provides tips on working from home effectively, and updates the Company's response efforts. An employee telephone hotline is available to answer employee questions and concerns, and APS CEO Jeff Guldner also updates employees periodically through video messaging.

**Commission Staff Questions.** Responses to Commission Staff's specific questions are below.

1. *What plans is the utility putting in place to ensure continuity of service for customers?*

Response: Please see the Company's discussion regarding continuity of service above.

2. *What steps is the utility taking to identify a core group of employees who would be available in emergency situations?*

Response: The Company's business unit pandemic plans include identifying essential services and employees, and backup personnel for those activities and roles, who can provide support if needed to maintain operations with a limited workforce. Please see the Company's continuity of service discussion above.

3. *What designated personnel will be available 24 hours a day/7 days a week, or if none, how will customers contact the utility?*

Response: APS operates its generation, transmission, and distribution system on a 24-hours-a-day/7-days-a-week basis. Emergency plans are in place that address a reduction in available workforce during situations like a pandemic, and APS is confident that it is prepared to provide reliable service throughout the course of the pandemic. In addition to the APS Customer Care Center normal hours of operation from 7:00 am to 7:00 pm, designated Customer Care Center staff are available between the hours of 7:00 pm and 7:00 am to assist customers in case of an outage or other emergency.

4. *How does the utility intend to read meters in an emergency situation?*

Response: APS will continue to read standard meters remotely through its advanced metering infrastructure. Company employees will continue to travel to customer sites to directly read meters for customers who have chosen to opt-out of AMI metering and in locations where a wireless signal for remote meter reading is not available. In cases where a meter cannot be accessed either remotely or directly, APS will estimate customer usage for billing purposes.

5. *Does the utility have a Commission-approved Bill Estimation tariff/procedure in place?*

Response: Yes. APS's Commission-approved bill estimation procedures are established in the Company's Service Schedule 8 – Bill Estimation.<sup>3</sup>

6. *Will the utility rely on its Commission-approved Bill Estimation tariff during this process?*

Response: Yes, the Company will use the estimation procedures outlined in Service Schedule 8 as necessary. Please also see the Company's response to Question 4 above.

7. *Does the utility intend to keep its current payment centers open during this time? If not, how and where will customers be able to pay?*

Response: APS will continue to provide customers with walk-up payment options as they remain available. The Company contracts with two main vendors for walk-up payments, and both vendors contract with various retail locations such as Bashas' and CVS. At this time, APS does not anticipate disruption in service with either vendor. With changing circumstances and new government guidance, however, the retail businesses where these walk-up payment options are provided may reduce business hours or close their operations, limiting these options.

In that case, APS customers will still have the option to pay their bills online, by phone through APS's Interactive Voice Response (IVR) system, and by check through direct mail. APS will continue to encourage customers to use these options.

8. *Will the utility continue to issue monthly billing statements?*

Response: Yes. APS uses a vendor to issue monthly billing statements to our customers. This vendor has shared its business continuity plans and is prepared to continue to issue monthly statements for APS.

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<sup>3</sup> <https://www.aps.com/en/Utility/Regulatory-and-Legal/Rates-Schedules-and-Adjustors>

9. *Will the utility issue monthly billing statements even if bills have been estimated?*

Response: Yes, consistent with APS's Commission-approved Bill Estimation procedures, APS will issue monthly billing statements in the event that bills have been estimated.

10. *How will the utility's process for handling complaints be addressed during an emergency situation?*

Response: APS will maintain all normal channels for addressing customer complaints, including through the APS Customer Care Center and the Company's Consumer Advocates Office.

11. *Does the utility anticipate changing the process for budget billing customers?*

Response: No. APS does not anticipate changing its budget billing process.

Please let me know if you have any questions.

Sincerely,

/s/ Rod Ross

Rodney J. Ross

RJR/bgs  
Attachment

## A letter to our customers from President and Chief Operating Officer Daniel Froetscher

Together we are facing something most of us have never seen in our lifetimes. The COVID-19 Coronavirus pandemic has us all seeking answers through this uncertainty.

While most of the answers will come from the public health experts, we at APS can remove one bit of uncertainty: if you are having difficulty paying your energy bill during this time, we will not shut off power for non-payment, and we are waiving late fees as well.

We know the pandemic will affect your personal and work life. If you need assistance with your bill, please reach out. We are setting up a Customer Support Fund that will be available starting Wednesday, March 18<sup>th</sup>. Meanwhile, we have a number of additional resources and programs listed on our website at [aps.com/support](https://aps.com/support). You can call us at (602) 371-7171 (Phoenix) or (800) 253-9405 (other areas), weekdays from 7 a.m. to 7 p.m. We do expect call volumes could be high and will do our best to get to calls in a timely manner. We continue to monitor the situation, and will provide additional information to support our customers as things evolve.

Let me also reassure you that we do not expect this situation to cause any disruption in providing you power. We are following the guidelines from the Centers for Disease Control and Prevention and World Health Organization to help keep our employees healthy, and we have the necessary contingency plans in place. Keeping our customers, communities and employees safe, and keeping your power on, remain our top priorities.

As a husband, father and grandfather, and president of a company with over 6,000 employees I care about deeply, I urge you all to follow the same social distancing precautions that we are. This information from the Centers for Disease Control and Prevention and Johns Hopkins University can be a helpful resource.

Please be safe,

A handwritten signature in black ink that reads "Daniel". The signature is written in a cursive, flowing style with a large initial "D".